

**Meeting of the  
Board of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia**

**April 13, 2004**

**DRAFT Minutes**

**Present:**

Aneesh Chopra  
Rose C. Chu  
Phyllis L. Cothran (by phone)  
Terone B. Green  
Manikoth G. Kurup, M.D.  
Elmer E. Neil, M.D. (Chair)  
Michael Walker  
Marc Wheat

**Absent:**

Joseph Green  
Robert D. Voogt, Ph.D.  
Dorn V. Williams, Sr.

**DMAS Staff:**

Patrick W. Finnerty, Director  
Cynthia Jones, Chief Deputy Director  
Michael Jay, Director of Budget  
Robert Knox, Transportation Manager  
Alan MacDonald, Director of Information Management  
Nancy Malczewski, Board Liaison  
Javier Menendez, R.Ph., Pharmacy Manager  
Bryan Tomlinson, Director of Health Care Services

**Speakers:**

Paige Fitzgerald, Counsel to the Board  
Manju Ganeriwala, Deputy Director of  
Finance & Administration  
Cheryl J. Roberts, Deputy Director of Operations  
Craig Markva, Manager, Office of Communications &  
Legislative Affairs

**Public Comment Speakers:**

Barbara Green, VIP and Associates  
Kim Mack-Matthews, SET

**Call to Order**

Dr. Elmer Neil, Chairman of the Board, called the meeting to order at 10:10 a.m. He asked everyone to introduce themselves starting with Board Members, then DMAS staff and visitors. The two new Board Members, Mr. Michael Walker and Mr. Aneesh Chopra briefly introduced themselves. It was noted that: (i) Mr. Parmelee's two terms had expired and he could not be reappointed, (ii) Mr. Terone Green was reappointed to a second term; and (iii) Mr. Seal was not reappointed.

Dr. Neil requested, and the Board agreed, to have the election of officers held later in the meeting.

### **Approval of Minutes from December 9, 2003 Meeting**

Dr. Neil asked for a motion to review and approve the Minutes of the December 9, 2003, meeting. Mr. Green made the motion to accept the Minutes and Ms. Chu seconded.

The vote was **7-yes (Chopra, Chu, T. Green, Kurup, Neil, Walker, and Wheat); 0- no.** (According to state "open meeting laws," Ms. Cothran's vote could not be counted since she was participating via telephone.)

### **Review of Bylaws**

Ms. Paige Fitzgerald introduced herself as Legal Counsel to DMAS. Ms. Fitzgerald noted that the agency's organizational chart has been revised to identify the Board's relationship to the Department. She noted that, pursuant to Virginia law, the Board is a Policy Board. However, when the Board is not in session, the Director has the same powers and duties as the Board.

Ms. Fitzgerald gave an overview of the Bylaws going through each Article and summarizing the key provisions in each. She noted under Section 3.1 and Section 3.3 that these Sections should include a reference to Chapter 13 of the Code of Virginia. Ms. Fitzgerald said that she would prepare for the next Board Meeting the necessary documents to begin the process of amending the Bylaws to include the appropriate references to Chapter 13.

At the December Meeting, the Board requested that Ms. Fitzgerald inform the members on rules for absenteeism/attendance and for participating in meetings and voting by telephone. Regarding absenteeism, Ms. Fitzgerald noted that only the Governor has the authority to appoint or remove members of Boards and referenced Virginia Code §2.2-108(B). This statute provides that the Governor can remove a Board member for various reasons, including absenteeism. Following discussion by the Board regarding the repeated absenteeism of Mr. J. Green, and DMAS' inability to contact him regarding Board meetings, Mr. T. Green made a motion to recommend Mr. J. Green be removed from the Board and Dr. Kurup seconded. The vote was **7-yes (Chopra, Chu, T. Green, Kurup, Neil, Walker, and Wheat); 0- no.** Mr. Finnerty indicated that a letter would be drafted to send to the Secretary of the Commonwealth indicating the Board's decision on this matter.

Ms. Fitzgerald continued her presentation regarding rules for telephonic participation in Board meetings. Citing Virginia Code § 2.2-3708, she stated that in order for someone participating by telephone to be counted as part of a quorum and to vote, notice of the meeting shall be provided at least 30 days in advance of the scheduled meeting date. In addition, the notice must identify all of the locations where members will participate in the meeting. Further, all locations for the meeting shall be made accessible to the public. No more than 25 percent of all meetings held annually can involve telephonic/electronic communication in which members' participation counts towards a quorum and votes are counted. (This equates to one meeting per year for BMAS.) A report must be filed annually with the Virginia Information Technologies Agency.

### **Virginia Medicaid Management Information System (VaMMIS) Update**

Ms. Manju Ganeriwala, Deputy Director of Finance & Administration, introduced Alan MacDonald, Director of Information Management and Michael Jay, Director of Budget. Ms. Ganeriwala gave an overview of the history of the development of the VaMMIS which extended over the past 10 years. She discussed the implementation of the system, which occurred on June 16, 2003. Ms. Ganeriwala also discussed the recent certification review of the system by the Centers for Medicare and Medicaid Services (CMS) and the importance of the system being officially certified by CMS. She noted that in the certification review exit conference, CMS noted that the system was working well, and they did not find any major problems. The CMS review team indicated that unconditional certification of the system would occur after two relatively minor problems are resolved.

Ms. Ganeriwala reviewed the main features of the new MMIS. She discussed several of the implementation problems that occurred and how DMAS addressed them. She also discussed the key successes associated with the system as well as the fact that the system is fully HIPAA-compliant. She concluded her presentation by stating that while there are still some system problems, including some that affect reimbursement for certain provider groups, overall, the new system is meeting provider business needs and recipients are receiving services. DMAS will continue to work with the affected provider community to resolve all remaining problems.

### **Overview of Proposed DMAS Budget**

Ms. Ganeriwala reviewed the current budget situation for DMAS. She noted that, normally, at this time of the year, the budget has been finalized. However, due to the budget impasse in the General Assembly, there is no final budget at this time.

Ms. Ganeriwala presented an overview of recent trends in the Medicaid program, including enrollment and expenditures. She reviewed a number of charts which graphically displayed these trends.

Ms. Ganeriwala continued with her presentation by providing an overview of the Governor's introduced budget for the 2004-2006 biennium. She reviewed both revenue and spending proposals in the Governor's introduced budget. She also discussed several proposed savings actions that were included in the Governor's budget. Following discussion of the Governor's budget recommendations, Ms. Ganeriwala highlighted several key House and Senate amendments to the Governor's introduced budget and the impact these changes would have on the total funding for the Medicaid program.

Throughout the presentation, there were several questions from Board members which Ms. Ganeriwala and other DMAS staff answered.

### **Overview of DMAS Pharmacy Initiatives**

Ms. Cheryl Roberts, Deputy Director of Operations, introduced Bryan Tomlinson, Director of Health Care Services, Javier Menendez, R.Ph., Pharmacy Manager, and Robert Knox, Transportation Manager, and noted that these staff have been instrumental in making major transformations in the pharmacy and transportation programs.

Ms. Roberts noted that the DMAS pharmacy program has been undergoing drastic changes in the past six months. The preferred drug list (PDL) program has been the most significant change. The remainder of Ms. Roberts' presentation focused on the development and implementation of the PDL program. She reviewed the concept of a PDL program, the process that the Pharmacy & Therapeutics (P&T) Committee uses for reviewing drug classes, and the phase-in approach to implementing the PDL. Ms. Roberts reviewed several critical steps that were taken during the development and implementation of the program, including a number of educational and testing efforts that were unprecedented in DMAS. Ms. Roberts noted that the PDL implementation has been very successful. Ms. Roberts discussed how instrumental the P&T Committee has been in the success of the program. Dr. Kurup also noted that the P&T Committee process and the implementation of the program has been very successful.

Ms. Roberts also reviewed the initial operational statistics regarding the PDL Call Center, the number of prior authorizations, compliance with the PDL, and the fact that there have been no denials. A comprehensive evaluation of the program will be conducted by DMAS under the direction of Wayne Turnage, the Director of DMAS' Policy and Research Division.

### **Non-Emergency Transportation (NET) Program**

Ms. Cheryl Roberts gave a brief summary of the history of the brokerage model of managing non-emergency transportation in Virginia. She also described the current brokerage program, and spoke about some key activities that will be occurring in the future. Ms Roberts noted that all Medicaid recipients, whether in the fee-for-service program or an HMO, access transportation services through a brokerage system. A key reason for implementing the brokerage system in the fee-for-service program was that transportation costs were increasing by 15% per year.

DynTek and LogistiCare were the fee-for-service brokers in 2001 at the inception of the program. Over time, numerous problems arose with DynTek; the most serious being they stopped paying providers. The DynTek contract was terminated, and LogistiCare took over operations for the entire state. Mr. Finnerty noted that DMAS has been working closely with the Office of the Attorney General to recoup amounts owed by DynTek to providers. A payment bond of \$2.4 million is now being distributed through federal court in Richmond. DMAS and the Office of the Attorney General are still pressing DynTek to continue making payments to the providers over and above the bond amount. DynTek has paid a little more than \$3 million thus far.

Ms. Roberts noted that DMAS hired more staff to handle the management and strengthen the transportation program. It was noted that the Medicaid Transportation Advisory Committee (MTAC) was created to address program issues. MTAC includes several transportation providers and meets every other month. She noted LogistiCare also has made improvements to the program such as establishing regional offices, regional advisory committees, and a "Where's My Ride" call number. Recent satisfaction surveys show that 92 percent of the recipients are satisfied with their providers and 77 percent are satisfied with the Broker. LogistiCare's contract has been extended through June, 2005; however, efforts are now underway to develop a Request for Proposals (RFP) to be issued in the Fall to re-bid the program. A new contract will be effective July, 2005.

Ms. Roberts noted there have been recent complaints from providers regarding mileage calculations, some LogistiCare administrative policies, and reimbursement issues. DMAS is working with LogistiCare to determine what changes can be instituted now; what issues can be changed in July at the start of LogistiCare's renewed contract; and what changes must wait to be incorporated into the RFP for 2005. Ms. Roberts advised the Board that she and Mr. Knox visited with two providers to learn more about their operations and the problems they face. Ms. Roberts concluded by saying DMAS' goal is to have transportation running as smoothly in 2005 as the new Pharmacy program.

Mr. Finnerty introduced two MTAC members who were in today's audience: Tammy Loney, of Friends Medical Transport; and Sharon Davis, of Community Medical Transport, Inc.

### **Overview of 2004 Session of the Virginia General Assembly**

Craig Markva, Manager, Office of Communications & Legislative Affairs, noted that there was very little legislation this year that affected DMAS and it was a non-controversial session. Mr. Markva reviewed a series of slides which described the various pieces of legislation.

Ms. Cynthia Jones stated when details are finalized, all Board Members will be notified and invited to the Governor's press event to celebrate DMAS' continued success of the Family Access to Medical Insurance Security (FAMIS) Plan. The event is currently scheduled for May 10, 2004, 1:00 p.m., at the Children's Hospital in Richmond. She noted that more than 85,000 new children have been enrolled in FAMIS or Medicaid since Governor Warner took office.

### **OLD BUSINESS**

#### **Regulatory Activity Summary**

Mr. Finnerty noted the Regulatory Activity Summary was included in the members' books to review at their convenience.

### **New Business**

Dr. Neil thanked everyone for their support while being Chair for the past year.

### **Election of Chairman/Vice Chairman**

Mr. Finnerty presided over the election of new Board Officers for the year. Mr. Finnerty opened the floor to accept nominations for Chairman. Ms. Chu nominated Dr. Kurup; Mr. Terone Green seconded. Hearing no other nominations; Mr. Finnerty closed the floor for additional nominees. The vote to elect Dr. Kurup as Chairman was **7-yes (Chopra, Chu, T. Green, Kurup, Neil, Walker, and Wheat); 0- no.**

Mr. Finnerty opened the floor to accept nominations for Vice Chairman. Dr. Kurup nominated Dr. Voogt; Mr. Wheat seconded. (Mr. Finnerty noted Dr. Voogt intended to attend today's meeting, but had a last minute schedule conflict.) Hearing no other nominations; Mr. Finnerty closed the floor for additional nominees. The vote to elect Dr. Voogt as Vice Chairman was **7-yes (Chopra, Chu, T. Green, Kurup, Neil, Walker, and Wheat); 0- no.**

Dr. Kurup thanked Dr. Neil and Ms. Chu for their service and for the Board's confidence in him.

### **Public Comment**

Ms. Barbara Green, a transportation provider (VIP and Associates), stated that she previously voiced her concerns about the transportation program at the Medicaid Transportation Advisory Committee (MTAC) and will not go over all the issues again. She knows the issues are being addressed, but is concerned that so much time elapses between presenting the issue, and resolving the problems. She commented on the expenses of day-to-day operations. When she is asked to provide a service on an urgent basis, she would rather receive the money the following Monday rather than one month later. She asked for a special fund to be set aside to compensate the providers for emergency trips. She appreciated Mr. Knox's efforts in addressing her issues.

Mr. Finnerty noted Ms. Green had addressed the MTAC at its last meeting, and that DMAS is working with LogistiCare to see what can be resolved currently. He noted that the transportation providers were very respectful of the MTAC members, and that it was a productive meeting.

Ms. Kim Mack-Matthews, a transportation provider and Public Relations Officer of Virginia Medical Transportation Association (VMTA), also spoke about concerns with the transportation program. The VMTA represents 58 members in all regions in Virginia. She listed their numerous concerns such as: 28-day billing rule; penalties for late billing; inconsistent payment date; lack of appeal process; and "accurate" mileage versus LogistiCare's "map point" route. They would like to set definite timelines and 90-day work plans to the resolution of their issues. In closing, Ms. Mack-Matthews noted that VMTA addressed MTAC in February and thanked Mr. Finnerty for being receptive to their concerns. She thanked Ms. Roberts and Mr. Knox for visiting one of their Tidewater operations and said that it is important to vendors to know that DMAS is concerned. She also thanked Dr. Neil for attending a local meeting, supporting them

and directing them appropriately. She noted that LogistiCare has not yet addressed any of their issues or concerns, and that they need to be addressed soon.

**Adjournment**

Dr. Neil thanked everyone and adjourned the meeting at 12:35 p.m.